

# THE MINERAL INDUSTRY OF CONGO (BRAZZAVILLE)

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The Republic of Congo [Congo (Brazzaville)] is located in equatorial central Africa between the Democratic Republic of the Congo [Congo (Kinshasa)] and Gabon and has an area of 342,000 square kilometers. The area supported a population of about 2.9 million in 1997 with a gross domestic product (GDP) per capita of \$2,000, based on 1996 purchasing power parity data.

The economy of Congo (Brazzaville) has been based largely on crude oil, which accounted for more than 40% of real GDP and more than 60% of foreign exchange earnings. The total value of exports, chiefly from crude oil, was \$1.2 billion in 1995, the last year for which data was available. The Elf Aquitaine Group of France was the major operator in the petroleum sector and had a 65% share in total crude production. Most production was from offshore wells. Elf brought the major N’Kossa field into production in 1996, increasing output at N’Kossa to 73,000 barrels per day in 1997. Elf also announced plans to bring the Moho Marine 1 field into production by 2001. The Moho Marine 1 field, discovered in 1995, had reported reserves of more than 400 million barrels of oil. Italy’s Azienda Generali Italiana Petroli S.p.A. (Agip), which operated through its subsidiary Agip Recherches Congo, accounted for much of the remaining 35% of oil production in Congo (Brazzaville). Chevron Corp. and Exxon Corp. of the United States, Naphta of Israel, and Energy Africa Ltd. of South Africa were also active. The U.S. Energy Information Agency reported total proven oil reserves of 1.5 billion barrels and natural gas reserves of about 90.6 billion cubic meters of natural gas reserves (U.S. Energy Information Agency, July 1998, Congo (Brazzaville) Country Analysis Brief, accessed February 12, 1999 at URL <http://eia.doe.gov/emeu/cabs/congo.html>).

Investment was governed by the Investment Code of 1992 and Hydrocarbon Law 24/94 of August 23, 1994, which dictates the terms of Production Sharing Agreements. The Hydrocarbon Law reduced taxes on crude oil production from 17.5% to 12%, with the state-owned Hydro-Congo participating in a 31% profit-sharing on all production. Mining legislation is based on Law 29-62 of June 1962, as amended by Decree No. 23/82 of July 7, 1982, and Decree No. 86/814 of June 11, 1986. In general, mining has been carried out by the state or through state-owned joint ventures. Prior to the breakout of the civil war in 1997, a new mining code was presented to the National Assembly and Senate for consideration, but apparently was not acted on. The new code would have opened up mining to private investment (Ngot Kongolo, 1997).

The Ministry of Hydrocarbons and Mines stated that exploitable minerals in Congo included base metals (copper, lead, and zinc),

diamond, gold, and platinum. Coastal deposits of phosphate and potash have yet to be exploited fully. Additionally, deposits of bentonite, granite, gypsum, kaolin, marble, and talc also were found in the country. In June 1997, the Government granted two exploration permits covering the Makola and the Youbi magnesium salt evaporite deposits in the Kouilou region to Congo Minerals, Inc. of Canada, which subsequently changed its name to Magnesium Alloy Corporation (MAC). The new government ratified exploration and development agreements with MAC in January 1998. The deposits, which according to MAC contain 800 billion metric tons of indicated magnesium salt resources, could support a solution mining operation extracting 2.1 million metric tons per year of carnalite ore capable of producing 100,000 metric tons per year of magnesium metal along with byproduct potash, salt, calcium chloride, and chlorine (Magnesium Alloy Corporation, June 9, 1997, Republic of Congo, press release accessed February 12, 1998 at URL <http://magnesiumalloy.ca/press/970609.htm>). During the year, several junior exploration companies were actively looking for gold or base metals including, AfriOre Limited of Canada on the Yanga Koubanza lead-zinc deposit; SAMAX Gold Inc. of Australia on the Dimonika, Kakamoeka, and Ngongo districts within the Mayombe gold belt; SEMI on a gold property near Yangadou in Sangha province; and Panorama Resources NL of Australia for gold in within the Mayoko and the Zanaga greenstone belts in its Moussendjo concession.

Economic and political disruptions caused by the civil war in 1997 and the increased political risk associated with investing in Congo (Brazzaville) will likely delay or discourage new petroleum and mining development in the country, although the primarily offshore oil industry is somewhat sheltered from the extensive damage to onshore infrastructure inflicted during the war.

## Reference Cited

Ngot Kongolo, J. C., 1997, Description sommaire du secteur minier Congolais: Multilateral Investment Guarantee Agency African Investment Symposium, 4th, June 3-5, 1997, Denver, Colorado, U.S.A., 6. p.

## Major Source of Information

Ministere des Hydrocarbures et des Mines  
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TABLE 1  
CONGO (BRAZZAVILLE): PRODUCTION OF MINERAL COMMODITIES 1/

Commodity 2/	1993	1994	1995	1996	1997
Cement, hydraulic e/                      thousand metric tons	114	87 r/ 3/	96 r/	100 r/	20
Gold, mine output, Au content e/                      kilograms	5	12 3/	10 r/	10	10
Lime e/                      metric tons	240	390 3/	390	390	390
Liquid petroleum gas e/                      thousand 42-gallon barrels	--	--	--	3,650 e/	4,380 3/
Petroleum, crude                      do.	76,708 r/	67,525 r/	63,875	80,300 r/	98,550 3/

e/ Estimated. r/ Revised.

1/ Includes data available through June 1999.

2/ Natural gas is also produced, but all of it is vented or flared.

3/ Reported figure.